GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2766
ANSWERED ON:20.03.2002
CELLULAR MOBILE SERVICE
GANGASANDRA SIDDAPPA BASAVARAJ;GOWDAR MALLIKARJUNAPPA;IQBAL AHMED SARADGI;UMMAREDDY VENKATESWARLU

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government have decided to release an additional spectrum nearly 4 megahertz to mobile phone operators;

(b) if so, the details in this regard;

(c) whether the companies will have to pay an additional spectrum fee to the Government from their annual gross revenue;

(d) if so, the details thereof;

(e) the time by which this decision is likely to be announced; and

(f) the extent it will help mobile companies and also the Government?

Answer

THE MINISTER OF STATE IN THE MINISRY OF COMMUNICATIONS & INFORMATION TECHNOLOGY (SHRI TAPAN SIKDAR)

(a) & (b): Yes, Sir. The government has decided to assign additional spectrum upto 1.8 MHz + 1.8 MHz to the CMTS Operators in order to meet the requirements of growth of subscribers. Any operator may apply for additional spectrum after reaching a customer base of 4 lakh or more in a service area, after which the process of allotment would be initiated; however, actual assignment of the spectrum would be made, subject to the availability and co-ordination on case to case basis, after a customer base of 5 lakh or more has been reached in the service area. This additional assignment will be beyond already allocated spectrum of 6.2 + 6.2 MHz.The additional spectrum of 1.8 + 1.8 MHz would be assigned in 1800 MHz Band.

(c) & (d): The companies (Cellular Licensees/ operators) are to pay spectrum charges with effect from 1.8.1999 on the revenue share basis at the rate of 2% of their Adjusted Gross Revenue (AGR) for spectrum upto 4.4 + 4.4 MHz and 3% of AGR for spectrum upto 6.2 + 6.2 MHz. Further, for this additional spectrum, beyond 6.2 + 6.2 MHz, if assigned for any one or more places in a Service Area, an additional charge of 1% of AGR (total 4% of AGR for the respective Service Area) would be charged.

(e) The order to this effect has been issued on 1.2.2002.

(f) It will help mobile companies to increase their subscriber base and improved quality of the service. With the increase in their revenue, the spectrum charges for the government will also increase.